

Mr. R. E. Speckman
Manager, Regulations and Maintenance Standards
Shell Pipe Line Corporation
Two Shell Plaza
Houston, Texas 77001

Dear Mr. Speckman:

Your letter of July 5, 1979, requested that the Department of Transportation clarify the regulatory responsibility for on-line pipeline transmission pumping equipment located on offshore platforms that contain both production facilities and on-line transportation pumping equipment.

You stated that from the Memorandum of Understanding (MOU) between the Department of Transportation and the Department of the Interior, you have classified the DOT regulated portion on the joint function platform as including the pipeline and its directly associated on-line transmission pumping equipment.

By definition (Section 195.2), a pipeline system or pipeline means all parts of a carrier's physical facilities through which commodities move in transportation. Once it is established by application of Section 195.1 that the pipeline is under DOT's jurisdiction, then all subsequent on-line transmission pumping equipment is considered part of the pipeline and would be under DOT's jurisdiction.

If we can be of further assistance, please let us know.

Sincerely,

/signed/

Cesar De Leon
Associate Director for
Pipeline Safety Regulation
Materials Transportation Bureau

Mr. Cesar De Leon, Associate Director
for Pipeline Safety Regulation
Materials Transportation Bureau
Department of Transportation
Washington, D. C. 20590

Dear Mr. De Leon:

We request the Department of Transportation clarify the regulatory responsibility for on-line pipeline transmission pumping equipment located on offshore platforms that contain both production facilities and on-line pipeline transportation pumping equipment.

Shell Pipe Line operates pipelines for the transportation of hazardous liquids in navigable waters on state lands and on the Outer Continental Shelf. These pipelines, in some instances, are routed across both production and non-production platforms. At some platforms, produced liquids are injected into the pipeline stream. At other platforms, there is on-line pipeline transmission equipment that is necessary to maintain the level of pipeline liquid flow. In one instance, SPLC operates a pipeline located on a "joint function" platform where produced liquids are injected into the pipeline stream and where separate and distinct on-line transmission equipment maintains pipeline flow at the required levels.

It is our understanding from the May 6, 1976, "Memorandum of Understanding Between the Department of Transportation and the Department of the Interior" that from the outlet flange where hydrocarbons are produced, separated, dehydrated, or otherwise processed, whichever facility is farther downstream, pipeline facilities are regulated by the Department of Transportation, including subsequent on-line transmission equipment but excluding subsequent production equipment. From this memorandum of understanding, we have classified the DOT regulated portion on the joint function platform as including the pipeline and its directly associated on-line transmission pumping equipment. Further, the equipment utilized by the producer in injecting the liquids produced at this platform to our pipeline has been classified as production equipment which we understand is regulated by the Department of Interior.

We have recently had the DOI indicate nonagreement with our understanding. Upon a thorough review of the DOT/DOI Memorandum of Understanding, we do not feel that there is any description that

would lead a reader to an opinion different from our understanding of DOT regulation of on-line transmission equipment used for the transmission of liquids to shore. Unfortunately, the illustration included with the DOT/DOI Memorandum of Understanding does not clearly illustrate the case of on-line transmission equipment located on a platform described as a production platform. Accordingly, we furnish as an attachment a suggested modification to the illustration included with the DOT/DOI Memorandum of Understanding that incorporates on-line transmission equipment for a DOT regulated pipeline on a production platform. We believe this modified diagram better illustrates the pipeline facilities regulated by DOT as described in the paragraph headed "DOT Responsibilities".

Your assistance in clarifying this matter would be greatly appreciated.

Very truly yours,

R. E. Speckman, Manager
Regulations and Maintenance Standards

ATTACHMENT - DIAGRAM